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Agenda item 134
Programme budget for the biennium 2016-2017

Contingency fund: consolidated statement of programme budget implications and revised estimates

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered an advance version of the report of the Secretary-General on the contingency fund: consolidated statement of programme budget implications and revised estimates (A/C.5/71/17). During its consideration of the report, the Advisory Committee met with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 12 December 2016.

2. The Advisory Committee recalls the provisions of General Assembly resolutions 41/213 and 42/211 on the use of the contingency fund. In its resolution 41/213 (annex I, sect. C, para. 8), the Assembly provided that the programme budget should include a contingency fund expressed as a percentage of the overall budget level, to accommodate additional expenditures relating to the biennium derived from legislative mandates not provided for in the proposed programme budget or from revised estimates. In its resolution 42/211 (annex, sect. B, para. 1), the Assembly decided that the fund covers additional expenditures relating to the biennium that are based on decisions taken during a three-year period, which includes the year preceding the biennium and the biennium. Furthermore, the contingency fund is to be used for revised estimates in respect of amounts required over and above the estimates in the proposed programme budget for activities that had been included in the proposed programme budget but that were not acted upon at first reading pending the submission of additional information (annex, sect. A, para. (b) (i)). In the same resolution, the Assembly also provided that prudent use of the fund requires that it should not be exhausted before the end of the period of use (annex, sect. B, para. 2). Further, in its resolution 41/213 (annex I, sect. C, para. 9), the Assembly decided that if additional expenditures are proposed that exceed resources available within the contingency fund, such additional expenditures can

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be included in the budget only through the redeployment of resources from low-priority areas or modifications of existing activities; otherwise, such additional activities will have to be deferred until a later biennium.

3. The Advisory Committee recalls that, in its resolution 69/264 (para. 13), the General Assembly decided that the level of the contingency fund for the biennium 2016-2017 should be set at 0.75 per cent of the overall level of resources of the programme budget outline for the biennium, or $41,687,967, within which additional requirements would be accommodated. **The Advisory Committee reiterates its view that the contingency fund is an essential budgetary instrument for addressing additional resource requirements and emphasizes the need to adhere to the provisions of General Assembly resolutions 41/213 and 42/211 on its use (see A/70/7/Add.34, para. 6).**

4. The Secretary-General indicates that the total potential charges in the amount of $43,307,200 are the result of resources in the amount of $66,349,600 contained in his proposals, taking into consideration the related recommendations of the Advisory Committee for reductions in the amount of $23,042,400 at the time of the finalization of the report of the Secretary-General (see also para. 9 below). The total potential charges do not yet take into account the recommendations of the Committee relating to: (a) the revised estimates of the Human Rights Council; (b) the programme budget implications of the New Urban Agenda; and (c) the programme budget implications of the draft resolution on oceans and the law of the sea (see A/C.5/71/17, para. 6). The Secretary-General also indicates that the available balance in the amount of $17,619,900 comprises the remaining balance in the contingency fund, pursuant to General Assembly resolution 70/248 A, in the amount of $24,007,100, less charges approved at the resumed seventieth session of the General Assembly in the amount of $6,387,200. In addition, according to the Secretary-General, potential new charges to the contingency fund amounting to $43,307,200 would exceed the remaining balance of the fund by $25,687,300 (ibid., para. 2 and annex).

5. The Secretary-General indicates that an amount of $34,500 was identified for absorption in the context of the revised estimates resulting from resolutions and decisions adopted by the Economic and Social Council at its 2016 session. Furthermore, in reviewing the financial implications arising from the adoption of various draft resolutions by the Main Committees of the General Assembly, the Secretary-General identified a further amount of $278,600 for absorption within the approved resources for the biennium 2016-2017. The Secretary-General also indicates that the magnitude of additional requirements resulting from new and expanded mandates does not allow for full absorption (ibid., para. 4).

6. Upon enquiry, the Advisory Committee was provided with information on the utilization of the contingency fund since its inception (see table 1).

Table 1
Utilization of the contingency fund since its inception

Biennium	*Size (millions of United States dollars)*	*Percentage of preliminary estimate*	*Approved charges (millions of United States dollars)*	*Approved charges (per cent)*	*Separate and additional appropriations after the approved maximum for charges against the contingency fund[a] was reached (millions of United States dollars)*
1990-1991	15.0	0.75	11.8	78.7	–
1992-1993	18.0	0.75	6.3	35.0	–
1994-1995	20.0	0.75	18.5	92.5	–
1996-1997	20.6	0.75	5.2	25.2	–
1998-1999	19.0	0.75	3.7	19.5	–
2000-2001	19.1	0.75	18.9	99.0	–
2002-2003	18.9	0.75	18.9	100.0	–
2004-2005	21.6	0.75	13.8	63.9	–
2006-2007	27.2	0.75	26.6	97.8	52.6
2008-2009	31.5	0.75	26.3	83.5	–
2010-2011	36.5	0.75	14.1	38.6	–
2012-2013	40.5	0.75	37.5	92.6	8.6
2014-2015	40.4	0.75	40.2	99.5	5.1

[a] As contained in the reports that would normally represent a charge against the contingency fund.

7. **The Advisory Committee notes that, as shown in table 1, on three occasions since the biennium 1990-1991, the approved limit of the contingency fund has been exceeded, resulting in additional appropriations by the General Assembly. As indicated in paragraph 4 above, it is anticipated that another shortfall would occur in the biennium 2016-2017.**

8. Upon enquiry, the Advisory Committee was provided with information on the approved level of the contingency fund for the biennium 2016-2017, the approved charges against it and the remaining balances (see table 2).

Table 2
Approved level of the contingency fund for the biennium 2016-2017, the approved charges against it and the remaining balances

(Thousands of United States dollars)

General Assembly resolution	*Level of the contingency fund*	*Charges against the contingency fund*	*Balance*
Approved level of the contingency fund (resolution 69/264)	41 688.0	–	–
Approved charges against the contingency fund in resolution 70/248 A	–	17 680.9	24 007.1
Approved charges against the contingency fund in resolution 70/248 B	–	4 323.6	19 683.5
Approved charges against the contingency fund in resolution 70/248 C		2 063.6	17 619.9

The Advisory Committee recommends that the General Assembly request the Secretary-General to incorporate, in future reports on the subject matter, the information contained in table 2 above into the table showing potential charges to the contingency fund.

9. **The Advisory Committee trusts that an update to the list of potential charges to the contingency fund, reflecting the remaining recommendations of the Committee, will be presented to the General Assembly at the time of its consideration of the present report.**

10. **Taking into account its comments and recommendations in the paragraphs above, the Advisory Committee recommends that the General Assembly consider the potential charges related to new and expanded mandates against the contingency fund, as outlined in the report of the Secretary-General, and offer appropriate guidance to the Secretary-General accordingly.**